

JEFFERSON COUNTY COMMISSIONERS  
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TOM LYTHGOE, CHAIR

CHUCK NOTBOHM

KEN WEBER

**PROCEEDING OF THE BOARD OF COMMISSIONERS  
COUNTY OF JEFFERSON, STATE OF MONTANA  
May 9, 2006**

**Present:** Commissioners Lythgoe, Weber and Notbohm; Tara Mastel, JLDC; Tom Colella, Jefferson Broadband; Shane Mintz, MDT Real Estate; Carla Haas, MDT Real Estate; Kevin Brewer, MDT Butte; Jan Anderson, *Boulder Monitor/Jefferson County Courier*; Bob Marks, Bob Klein, Kenda Erickson

**MINUTES**

Commissioner Weber moved to approve the minutes of February 28. Commissioner Lythgoe seconded. The motion carried.

Commissioner Weber moved to approve the minutes of March 7. Commissioner Lythgoe seconded. The motion carried.

**REPORTS**

Receipt of April cash report from the Treasurer.

Receipt of April expense and revenue reports from the Clerk and Recorder.

**CALENDAR REVIEW**

- 5/10 Meeting with Sally Buckles - DES - 9:30  
JLDC - 2:00  
Watershed meeting - Whitehall - 7:00
- 5/11 Meeting to discuss subdivision review process - 9:00  
Elkhorn Working Group - 3:00  
Library Board - Whitehall - 6:30
- 5/15 Pandemic Flu table-top exercise - 6:00

**ITEMS FOR COMMISSIONERS ACTION OR REVIEW**

May 9, 2006 minutes.wpd

## MONTANA TUNNELS ADVISORY GROUP (MTAG) RECOMMENDATION FOR METAL MINES MONIES

Commissioner Lythgoe stated that the Commission has received a letter of recommendation from MTAG regarding the metal mines monies. It is their recommendation that the monies not be released at this time. He stated that he recently spoke with Bob Klein, superintendent of Clancy Elementary, and Bob indicated that the money is not needed at this time. The County also does not need the money at this time.

Bob stated that the school has no immediate need for the money, but noted that Montana Tunnels is 35% of their tax base. If the mine, in fact, closes, they will need to start planning for the use of the funds. Commissioner Lythgoe stated that the mine has asked that the Commission not trigger the release of the funds at this time if they are not needed. Everyone there is confident that the mine will re-open. They have been milling the waste dumps and were making enough to pay the employees and pay their bills. The waste dump is no longer producing sufficiently, so they decided to close for now.

Commissioner Weber stated that when they discussed this earlier, his concern was with the language in the MCA. He went back and read the language, and it says both “may” and “shall” in regards to releasing the funds when the trigger is hit. His concern is that the “shall” language seems to indicate that the money must be released when the trigger is hit. Commissioner Lythgoe stated that he also had concerns. He spoke with MACo and other regarding a couple of his concerns; the “shall” language and the question of the ability to release the money if the mine goes back to full employment. These issues can be further researched if there are concerns.

Commissioner Weber stated that he doesn’t see a stigma with releasing the money. Commissioner Lythgoe said that Tunnels doesn’t want one more thing on the table to give the indication that the mine is closing. He has been assured by people that know a lot more about it than he does that it is strictly a Commission decision when the money is released. If Mr. Klein wants the money at this point, they can release it.

Commissioner Weber stated that the metal mines funds have been a huge benefit in the Whitehall area. Commissioner Lythgoe noted that both MTAG and the JLDC have weighed in on this, and they don’t feel that it is necessary at this time to release the funds. He feels that what MTAG proposed is entirely appropriate. Commissioner Weber stated that it looks like MTAG’s recommendation was based on what CTAC did, which was very beneficial. He stated that he is impatient, and wants to get started. Commissioner Lythgoe stated that his only concern with the recommendation is that dollar amounts are tied to specific projects and programs, and he is not sure that it should be so specific.

Bob Marks asked if the mine is reopened, would the Commission be bound to release the monies. Commissioner Lythgoe stated that the trigger has been reached, and the money can be released at any time. Bob then asked if the Commission had a feel for how much gross proceed tax is paid in the Clancy school district, and what the impact would be with decreased production. Commissioner Lythgoe stated that he has no idea, but it is significant. He noted

that the Clancy school district has been frugal with the metal mines funds, and reiterated that if Mr. Klein wants the funds released, they'll be released.

Bob Klein asked if there is any time-frame for re-opening the mine, stating that there is a board meeting approaching. ~ Commissioner Notbohm arrives at the meeting. ~ Commissioner Lythgoe replied that there is no time frame at this time. There are interested buyers, but nothing has been decided at this time. Bob Marks noted that it will take some time after start-up before the County sees any money.

Tara Mastel, JLDC, presented a letter from Darrell Miller, MTAG chair, in support of the MTAG recommendation. She then stated that Jefferson County is very reliant on mining for high paying jobs and taxes that support county services. With the closure of our third largest taxpayer, which is likely temporary, Jefferson County has the opportunity to access significant resources that will assist the county in mitigating the loss at Tunnels and boost the economy of the northern end of the county. The JLDC could use this money to drive economic development. The HUD monies, that have funded the JLDC's operating costs for the past five years, are at an end. Accessing the metal mines funds now is a visible way to show that the county is pro-actively responding to the potential mine closure. The JLDC also believe that there is no negative stigma with releasing the money at this time. Commissioner Lythgoe stated that this is a change in the middle of the stream that he didn't expect.

Tom Colella with Jefferson Broadband stated that he has to concur with what Tara said. His business wouldn't be in existence without the HUD monies.

Commissioner Weber stated that it is not on the agenda to release the money or not, but the Commission needs to decide if they are going to agree with MTAG's recommendation.

Commissioner Weber moved to accept the recommendation put forward by MTAG, retaining the \$200,000 (+/-) for County debt reduction and \$700,000 (+/-) for economic development purposes. Commissioner Lythgoe seconded. Commissioner Notbohm stated that he is not necessarily opposed to this, although he is opposed to releasing the money at this time, as it is not needed. He feels that they need to take more time to analyze the needs of the County and how to best use the money. He would like to have more discussion as to if this is what they really want to do. He feels it is untimely to decide how to spend the money before it is released.

Commissioner Lythgoe noted that, in the past, items of significant impact to the County have given the public several opportunities to comment. He noted that there are only certain things that the money can be used for, and the County really doesn't have much debt. He doesn't feel that it would be inappropriate to discuss this over several meetings.

Commissioner Notbohm stated that with the metal mines monies from Golden Sunlight, there was some discussion of what constitutes economic development. Commissioner Weber noted that statute was changed last year, and is now much more specific. He is comfortable with the proposal. Commissioner Lythgoe stated that he is not sure who would come forward to

comment on this; the only reason to put this on several agendas is if he thought that there are people out there who think the money would be best used differently. However, what MTAG has recommended is within the law. Commissioner Weber said that in addressing the idea of discussing this over several meetings, this is a golden opportunity to do so. They are not releasing the money at this time. The MTAG recommendation is within the law, but there is an opportunity to specify where the money would go and get public input. They can develop a plan to have in place when the money is released. Commissioner Lythgoe stated that the only other way the County can use the money is to decrease the mill levy, but there is not enough money there to do much. Commissioner Notbohm stated that people need to realize that the loss of tax base from Tunnels will be passed on to them. He would also like to see a different approach to the business park than what was taken with the industrial park in Whitehall. There is over \$400,000 invested, and we still don't have the land. Commissioner Lythgoe asked Commissioner Notbohm if he has any problems with MTAG's recommendation. Commissioner Notbohm stated that he did not. The motion carried.

Commissioner Lythgoe stated that they may have several work sessions to decide the uses for the money. It will be different than what was done in the Whitehall area. Commissioner Notbohm stated that he would also like to get information on what taxpayers could expect with the loss of Tunnels.

#### **ROBBINS LANE - TRANSFER OF RESPONSIBILITY FROM MDT TO JEFFERSON COUNTY**

Commissioner Lythgoe stated that Robbins Lane is a state-owned stock trail in the Whitehall area. Over the years considerable development has mushroomed up around the road. MDT owns it, but they don't want control, and have to deal with subdivision approach and encroachment permits. The agreement states that the county will be responsible for all locates, pipe placement and necessary permits to complete work on Robbins Lane, place millings provided by MDT on the road, and satisfy any public notice requirements. MDT will have the existing asphalt surface milled and left in a windrow on the existing roadbed, provide approximately seventy feet of thirty-six inch concrete pipe and provide up to 5600 cubic yards of millings to be placed on Robbins Lane by Jefferson County. The County will not take ownership, but will have an easement, and be responsible for maintenance and permits.

Commissioner Weber moved that the Commission enter into the MOU regarding improvements to Robbins Lane. Commissioner Lythgoe seconded. Commissioner Notbohm asked if the County can return the favor and pick out a road to give to the state. The motion carried.

Commissioner Weber moved to accept the easement on Robbins Lane. Commissioner Lythgoe seconded. The motion carried. Commissioner Lythgoe stated that this has been under discussion for a couple years, and he thinks that both sides are comfortable with the agreement.

#### **COMMISSION REPORTS**

##### **MONTANA CITY INTERSECTION**

Commissioner Lythgoe reported that he met on Monday with MDT, Stahly Engineering, Joe

Calnan and Steve Vincelli regarding the roundabout at the Montana City intersection. He and Joe had some concerns regarding how the project is progressing, and they asked MDT for a meeting. Issues discussed included access, landscaping and who will take care of the lighting. They thought that construction would start this year, but it won't be until next year. Commissioner Notbohm stated that he is glad to hear it; they are going to be spending a lot of money to make something less than what is currently there.

#### INFRASTRUCTURE STUDY

Commissioner Lythgoe reported that the Commissioners met with Bill Lloyd and Jeremiah Theys of Great West Engineering regarding the infrastructure study on the north end. This item will be on the next three Commission agendas. They are getting close to finalizing the dollar figures and jurisdictions.

#### MINING ISSUES

Commissioner Lythgoe reported that the Commission met with Ed Handl of Atl-Atl to discuss formulating strategies to approach the legislature and DEQ regarding mining and the permitting process. Ed agreed to formulate and come forward with a proposal.

#### MONTANA TUNNELS

Commissioner Weber stated that Jon Pallister of Montana Tunnels called him on Friday regarding the gravel piles. The potential investors want assurance that there will be no legal battle regarding the gravel promised to the County. He sent an e-mail assuring them that there will be no legal battle, and that the Commission is hoping that the mine will open soon.

#### O.T. MINING

Commissioner Weber reported that O.T. Mining is trying to get a plan of operation to continue with exploration. The Forest Service is cutting back on the time allowed to do exploration. He stated that comments to the Forest Service are due the following day, and read a sample letter to Terry Sexton in support of O.T. He asked if the Commissioners are in support of sending the letter. They all agreed that the letter should be sent.

#### RMDC

Commissioner Notbohm noted that he was late to today's meeting because he was at RMDC. Government regulators were in reviewing the Head Start program. He stated that it is a very well-run program in the area.

#### **MEETING ADJOURNED**

#### **ATTEST:**

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**BONNIE RAMEY**  
**CLERK AND RECORDER**

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**TOMAS E. LYTHGOE, CHAIR**

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**CHUCK NOTBOHM, COMMISSIONER**

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**KEN WEBER, COMMISSIONER**